

FISCAL NOTE

HB 3968 - SB 4101

February 18, 2008

SUMMARY OF BILL: Makes multiple changes to the lottery scholarship program including, but not limited to, revised and new definitions of multiple terms related to the program, and changes applicable to the General Assembly Merit Scholarship (GAMS), the Tennessee HOPE Teachers Scholarship, dual enrollment grants, income requirements for ASPIRE awards, terminating events for the HOPE scholarship, review benchmarks applicable to HOPE Scholarship retention, non-traditional students, and Tennessee Technology Center students. Lowers the grade point average requirement for retaining HOPE, GAMS, and ASPIRE awards to 2.75 each year. Authorizes full-time students to become part-time students one time. Authorizes bonus awards of \$500 per year for students classified as juniors or higher for maintaining grade point averages of at least 2.75. Creates the Tennessee Education Lottery Scholarship Free Community College Program.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$73,562,000 in FY08-09 and by \$79,935,600 in FY09-10.

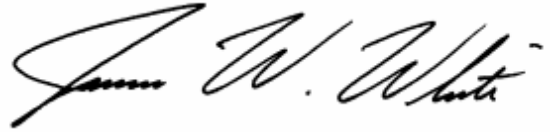
Assumptions:

- The change of definition for grade point average – first year costs of \$2,500,000 (625 students); second year costs of \$2,500,000 (625 students).
- Changes applicable to non-traditional students – first year costs of \$4,600,000 (1,900 students); second year costs of \$4,600,000 (1,900 students).
- The authorization for certain students to be eligible for both GAMS and ASPIRE awards – first year costs of \$667,000 (519 students); second year costs of \$680,300 (529 students).
- Increasing the income requirement for the ASPIRE award from \$36,000 to \$45,000 per year – first year costs of \$5,200,000 (3,466 students); second year costs of \$5,700,000 (3,813 students).
- The creation of partial HOPE scholarships for students with grade point averages between 2.5 and 2.75 – first year costs of \$5,500,000 (2,600 students); second year costs of \$5,610,000 (2,652 students).

- The change of review benchmarks for scholarship retention – first year costs of \$2,800,000 (1,295 students); second year costs of \$3,100,000 (1,425 students).
- The lowering of grade point average requirements for HOPE, GAMS, and ASPIRE to 2.75 each year – first year costs of \$17,500,000 (4,164 students); second year costs of \$17,850,000 (4,247 students).
- Changing the HOPE Scholarship terminating event from 120 semester hours to five full-time equivalent years or baccalaureate degree – first year costs of \$2,400,000 (600 students); second year costs of \$2,400,000 (600 students).
- The authorization for students to attend part-time one time – first year costs of \$1,100,000 (275 students); second year costs of \$2,000,000 (468 students).
- Increasing dual enrollment grants from four to six classes – first year costs of \$2,400,000 (5,500 students); second year costs of \$4,800,000 (11,000 students).
- Changes applicable to the Tennessee HOPE Teachers Scholarship – first year costs of \$100,000 (50 students); second year costs of \$110,000 (55 students).
- The authorization of entering freshmen students who meet all non-academic eligibility requirements, but not high school academic requirements, to become eligible for HOPE scholarships – first year costs of \$17,740,000 (5,581 students); second year costs of \$18,094,800 (5,693 students).
- The authorization of \$500 bonus awards for juniors and seniors who maintain at least a 2.75 grade point average – first year costs of \$8,526,000 (17,052 students); second year costs of \$8,696,500 (17,393 students).
- The creation of the Tennessee Education Lottery Scholarship Free Community College Program – first year costs of \$2,529,000 (1,900 students); second year costs of \$3,794,000 (2,800 students).
- The total increase of expenditures from lottery proceeds in the first year (FY08-09) is estimated to be \$73,562,000.
- The total increase of expenditures from lottery proceeds in the second year (FY09-10) is estimated to be \$79,935,600.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/rnc